

Carrie Hyde

From: William.C.Vandermeer [William.C.Vandermeer@delphi.com]
Sent: Tuesday, September 13, 2005 1:56 PM
To: Williams, Elizabeth A.; Chris Dell
Cc: Evans, Ronald C; Malone, Ronald L; Westgate, Frank ; Conley, Greg R.; Eriq Mallari; Winston Ash; Jim Gazo
Subject: RE: RD to sheet metal dynamic absorber road-rattle containment concept

Liz:

I just checked the BoMs. 52445809 is a packed fan motor & shroud asm.
52415726 is the production CRFM-ATH-06 (it still needs to be PPAP approved).
52445588 is a single packed part containing one CRFM-ATH-06
52445589 is the same as 52445588 a single packed part.

There may be a mistake with the single packed parts, (maybe 52445588 should be a fan motor & shroud asm) but the only part number I see for the production CRFM-ATH-06 is the 52415726.
The CRFM-ATF-06 (52415725) and the CRFM-ATJ-06 (52415727) so not seem to have this problem.

Bill Vandermeer

-----Original Message-----

From: Williams, Elizabeth A.
Sent: Tuesday, September 13, 2005 1:29 PM
To: 'Chris Dell'; Vandermeer, William C
Cc: Evans, Ronald C; Malone, Ronald L; Westgate, Frank ; Conley, Greg R.; 'Eriq Mallari'; 'Winston Ash'; 'Jim Gazo'
Subject: RE: RD to sheet metal dynamic absorber road-rattle containment concept

Per Paul Hennessey's PMRs:

52445809 was replaced by
52415726, which was replaced by
52445588 for PRODUCTION and by
52445589 for SERVICE

Elizabeth Williams

Commodity Buyer
Delphi Harrison Thermal and Interior
200 Upper Mt Rd, Lockport, NY 14094
716-439-2406
716-439-3818 fax
866-958-1126 eFAX
elizabeth.a.williams@delphi.com

1/23/2007

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AUTO-317

-----Original Message-----

From: Chris Dell [mailto:c.dell@automodular.net]
Sent: Tuesday, September 13, 2005 1:24 PM
To: Vandermeer, William C; Williams, Elizabeth A.
Cc: Evans, Ronald C; Malone, Ronald L; Westgate, Frank ; Conley, Greg R.; 'Eriq Mallari';
'Winston Ash'; 'Jim Gazo'
Subject: RE: RD to sheet metal dynamic absorber road-rattle containment concept

Bill,

Part number 52445588 replaces 52415726 effective August 23, 2005 as per purchase order number 550078480. Let me know if that is not the case.

Thanks

Christopher Dell
Business Development Manager
Automodular Corporation
(905) 665-0060 (x102)
(905) 391-0077 (Cell)
(905) 665-8560 (Fax)

-----Original Message-----

From: William.C.Vandermeer [mailto:William.C.Vandermeer@delphi.com]
Sent: Tuesday, September 13, 2005 1:19 PM
To: Chris Dell; Williams, Elizabeth A.
Cc: Evans, Ronald C; Malone, Ronald L; Westgate, Frank ; Conley, Greg R.; Eriq Mallari; Winston Ash; Jim Gazo
Subject: RE: RD to sheet metal dynamic absorber road-rattle containment concept

Chris:

I am not sure what part number 52445588 is, but the CRFM-ATH-06 is Delphi part number 52415726 (not 52445588).

Bill Vandermeer

-----Original Message-----

From: Chris Dell [mailto:c.dell@automodular.net]
Sent: Tuesday, September 13, 2005 10:27 AM
To: Vandermeer, William C; Williams, Elizabeth A.
Cc: Evans, Ronald C; Malone, Ronald L; Westgate, Frank ; Conley, Greg R.; 'Eriq Mallari'; Winston Ash; Jim Gazo
Subject: RE: RD to sheet metal dynamic absorber road-rattle containment concept

Good morning Liz & Bill,

See attached file in response to your requirement. Give me a call if you have any questions.

Have a good day!

Christopher Dell
Business Development Manager
Automodular Corporation
(905) 665-0060 (x102)
(905) 391-0077 (Cell)

1/23/2007

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AUTO-318

From: Vandermeer, William C [William.C.Vandermeer@delphi.com]
Sent: Thursday, September 28, 2006 1:09 PM
To: Chris Dell; Conley, Greg R.
Cc: Macartney, Robert M; Evans, Ronald C; Jim Gazo (E-mail); Marshall McMaster; Steve Dallison; McLean, Douglas L.; Mark Pearce
Subject: RE: CRFM Contracts

Importance: High

Chris:

I have reviewed the attached worksheets.

The first file CRFM RAD Plant 1 73 JPH Crew 4 Last revised May 5, 2006 have the following errors.

1.) Rad Load worksheet includes install of frame clip and a TOC clip neither one are part of the Plant 1 CRFM assemblies. This drops utilization from 70% to 48% at max, and from 76% to 52% at target.
2.) The Rad Load Element sheet does not match the worksheet, and it too also contains the Frame Clip and TOC clip, and it has a Shroud Load element that is a duplicate of what is on the shroud load sheet. Also, the Condenser sub-assembly of the bracket are on the sheet, and should not be.

3.) The Shroud Load Element sheet has the operations to install a heat shield with 3 push pins on the shroud. The Heat Shield was eliminated at least two years ago. Also, the unload radiator assembly to conveyor is on this sheet twice. You can only unload the radiator onto the conveyor once. Removing these two mistakes reduces the std. time from 0.62 to 0.40, but this does not match the Shroud Load Worksheet.

4.) The Final Assembly / Offload Worksheet does not match the Element Sheet, and the element sheet has the element to install two top seals, when the top seals have been eliminated.

The second file CRFM RAD Plant 2 58 JPH Crew 3 Last revised September 6, 2006 have the following errors.

1.) The Rad & Shroud Load Element Sheet a.) has a install bracket clip that Plant 2 does not install; b.) a sub-assembly of the Condenser with brackets that is done on the Final assembly; and c.) the same two mistakes that are on the Plant 1 sheets - install heat shield with 3 push pins, and twice having the unload radiator assembly onto conveyor elements. Both should be removed.

2.) The Final Assembly / Offload sheet has installing the holding bracket listed twice. There is only one holding bracket.

I would like to meet with your Industrial Engineer to help straighten this out and answer any questions. I want these sheets to be perfectly clear to anyone who knows the CRFM assembly whether they are from Delphi or Automodular.

Please do not hesitate to call.

Thank-you

Bill Vandermeer

Delphi Thermal Systems

716-439-3151

-----Original Message-----

From: Chris Dell [mailto:C.Dell@automodular.net]

Sent: Monday, September 25, 2006 7:52 AM

To: Conley, Greg R.; Vandermeer, William C

Cc: Macartney, Robert M; Evans, Ronald C; Jim Gazo (E-mail); Marshall McMaster; Steve Dallison; McLean, Douglas L.; Mark Pearce

Subject: RE: CRFM Contracts

Greg/Bill,

Also for review are the attached files for the current process.

Chris

From: Chris Dell

Sent: Mon 9/25/2006 7:28 AM

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AUTO-319

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To: Conley, Greg R.; Vandermeer, William C
Cc: Macartney, Robert M; Evans, Ronald C; Jim Gazo (E-mail); Marshall McMaster; Steve Dallison; McLean, Douglas L.; Mark Pearce
Subject: RE: CRFM Contracts

Greg/Bill,

As per your request, please see the attached files.

- 1) The CIP activity that took place in 2005 in support of the LTA
- 2) Review of the costs of the current purchased parts

Let me know when you are available to review.

Chris

From: Conley, Greg R. [mailto:Gregory.R.Conley@delphi.com]
Sent: Mon 9/18/2006 4:25 PM
To: Vandermeer, William C; Chris Dell
Cc: Macartney, Robert M; Evans, Ronald C; Jim Gazo (E-mail); Marshall McMaster; Steve Dallison; McLean, Douglas L.
Subject: RE: CRFM Contracts

Chris, I would like to meet with you and Bill tomorrow if possible to discuss in detail the effect of the de-rate on Automodular. I believe Bill will be trying to set something up between the 3 of us. Please have the information regarding Automod's costs on the CRFM program so we can review. With so many changes happening on the program, some adding, some subtracting, it's difficult to keep track of them all. If in the end we all agree the de-rate has had a financial impact on the CRFM program I will support taking it to the customer for resolution. I must know the facts if I end up doing this. Thanks

Doug, You are welcome to join us if you are available.

Greg Conley
Delphi Thermal & Interior
PTC Value Stream Extension Mgr
Lockport NY, 14094
(716) 439-3342

From: Vandermeer, William C
Sent: Monday, September 18, 2006 3:41 PM
To: 'Chris Dell'
Cc: Macartney, Robert M; Conley, Greg R.; Evans, Ronald C; Jim Gazo (E-mail); Marshall McMaster (E-mail); Steve Dallison (E-mail)
Subject: RE: CRFM Contracts

Chris:

I attended one EMAC meeting (I think this is what is now called CIP) in August 2005, I was not part of the detailed costs discussions, so I do not have that information. I do not know if your costs were justified. If they were then, that does not mean they would be viewed as that now with a cost increase. We need to work this out. I do not need to read several times how you must be clear. This wastes time. I am trying to help, but your all or none stand will just prolong any increased monies getting to your company.

As far as the foam pad being additional work, that is a matter of at what point in time you look at the CRFM assembly. Since the life of this program we have removed the heat shield for the fan motors, removed the two upper seals and one lower seal on all of the CRFMs, and are now in the process of removing the NVH Clip of the high volume CRFM for Plant 2. So, overall the high volume CRFM assemblies for Plant 1 & 2 have less content than when the program started. Because, of this you have

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been able to rebalance your lines. This was something I had been asking about since the EMAC meeting last year and again stated in October 2005, and again in November 2005. This was accomplished this year by Automodular, but unfortunately, we, Delphi, were not informed when this happened, and Automodular made the change without PPAP approval as should have been done. If this change had involved Delphi with the PPAP process we may have been made aware of the costs that are being incurred.

Bill Vandermeer

-----Original Message-----

From: Chris Dell [mailto:C.Dell@automodular.net]

Sent: Thursday, September 14, 2006 8:26 AM

To: Vandermeer, William C

Cc: j.gazo@automodular.com; Chris Nutt; m.blair@automodular.com; McLean, Douglas L;

Marshall McMaster; Matt Futkos; Conley, Greg R.; Macartney, Robert M

Subject: RE: CRFM Contracts

Bill,

I understand your timing requirements to have the foam pad installation in place. I must be clear that we need all outstanding adjustments resolved, exchange and derate, prior to acceptance of additional work, this is our policy. These issues have been outstanding for a couple of months. I understand that the foam installation has been done by GM through an outside service for close to a year now. I would recommend that you have an alternative source on standby unless these outstanding adjustments can be resolved in a timely manner.

I have attached a copy of the LTA agreement that was completed last year. Volumes outlined in this agreement do not match your comments.

The costs of our contract were shared in great detail with Delphi last year as we participated in the CIP ("Creative Improvement Plan"). You were apart of this exercise and should have all the materials that were reviewed, if not I can forward them to you. I understand from the outcome of the CIP that our costs were justified.

I have reviewed the foam pad installation requirement with operations. We can absorb this into our current process, if we are able to get the foam pads in a roll with some sort of dispenser. If this can be accomplished at Delphi's expense there is no price increase, with the exception of GP12 if it is required. Please confirm.

I appreciate your assistance further in resolving these issues.

Thanks

Christopher Dell
Business Development Manager
Automodular Corporation
(905) 665-0060 (x102)
(905) 391-0077 (Cell)
(905) 665-8560 (Fax)

-----Original Message-----

From: Vandermeer, William C [mailto:William.C.Vandermeer@delphi.com]

Sent: Wednesday, September 13, 2006 1:36 PM

To: Chris Dell

Cc: j.gazo@automodular.com; Chris Nutt; m.blair@automodular.com; McLean,

Douglas L.; Marshall McMaster; Matt Futkos; Conley, Greg R.; Macartney, Robert M

Subject: RE: CRFM Contracts

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AUTO-321

Importance: High

Chris:

I am only dealing with the Oshawa CRFMs right now, because we must get GM's requirement for placing a foam pad onto the condenser in place and PPAP'd by October 3rd, 2006.

First the word document attached please note that there are only 5 production CRFM models assembled at this time (plus service). The first four part numbers you have listed have been replaced by the second four numbers you have listed. Such as: 52415724 replaced 52406053; 52415725 replaced 52410855; 52415727 replaced 52406299; and 52415726 (which is listed as 52445588) replaced 52410854 (which is listed as 52445908). The ninth number listed I assume is a service number. Missing from the list is the fifth active production part number, that is Delphi p/n 52417036 CRFM-AUD-06. This is the Police Car CRFM assembled only for Car Plant 1.

I understand you want the Currency Exchange and the derate resolved before the foam pad is added. Because time is short for the foam pad implementation I suggest you decouple the Exchange Rate change from the derate request. Doug McLean can process the Exchange Rate for both the April 1st and July 1st right away based on current pricing and the volume that has been shipped. The derate can be calculated regardless of exchange rate, and this way Automodular gets that exchange rate money owed to them now. Also the increase for installing the foam pad will be paid as soon as we start installing the foam pads. At least this way you receive money on 2 out of 3 of these points at hand as soon as you agree. So, please meet with Ron McLean on the Currency Exchange, and the Foam Pad A.S.A.P.

On the De-Rate request, I have been doing some research, and what I have in my files shows that the projected volume for the W-Car program when the contracts were first signed as follows: Model Year 2003 = 665/day; Model Years 2004, 2005, & 2006 = 2367/day; Model Year 2007 = 1202/day; and Model Year 2008 = 537/day. So, from this the present volume is back down to what was forecasted for the program. In fact anything over this should have been a bonus for Automodular, unless you offered Delphi a discount because volumes were higher than anticipated. Also 2366/day volume seems to be running for a year longer than originally thought. I mention this because I believe Automodular will have to provide detailed information than what is on the attached Delphi spreadsheets, in order to have a good argument for justifying a price increase. The detailed breakdown of what makes up your labor cost, variable cost, and fixed cost will be required. We want our suppliers to be successful, but we need to understand why you might not be now.

Please, meet with Doug McLean as soon as possible.

Thank-you
Bill Vandermeer
Delphi Thermal Systems
716-439-3151

-----Original Message-----

From: Chris Dell [mailto:C.Dell@automodular.net]

Sent: Tuesday, September 12, 2006 9:08 AM

To: Vandermeer, William C

Cc: j.gazo@automodular.com; Chris Nutt; m.blair@automodular.com;
McLean, Douglas L.; Marshall McMaster; Matt Futkos

Subject: CRFM Contracts

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AUTO-322

Bill,

As per our conversation yesterday, the attached files are in support of the exchange and derate adjustments for Oshawa CRFM contract and third shift removal for Lordstown CRFM contract.

As previously mentioned, we need to resolve these adjustments prior to

accepting any further changes to our contracts. It should be noted that GM has recognized derate and third shift removal as scope changes.

Shortfalls in daily volumes and down weeks have already been consumed by our operation. Derate and third shift removal is considered a change to the scope of work and we require our contracts to be adjusted accordingly. These adjustments are required to sustain an economically viable operation. Our management will not operate a contract at a loss.

Another consideration is to transfer the variable contract into a fixed/variable contract. We have several of these contracts with GM and it would be advantageous for both parties to entertain this. I understand that Delphi's payment system could pose a problem in implementing such a contract.

I appreciate your help in resolving these issues. Let me know what further assistance you need from me.

Sincerely,

Christopher Dell
Business Development Manager
Automodular Corporation
(905) 665-0060 (x102)
(905) 391-0077 (Cell)
(905) 665-8560 (Fax)

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